



Registration for the press distribution list and further information at www.sentix.co.uk



Patrick Hussy
CEFA, Managing Director
patrick.hussy@sentix.de



sentix GmbH
Wiesenhüttenstraße 17, 60329 Frankfurt am Main
Tel. +49 (69) 3487 961-0, info@sentix.de

sentix Economic Index: Asia continues to pick up, Euroland stagnating

- The economic recovery in Euroland is taking a breather. After five consecutive rises, the sentix overall economic index for the euro zone has dropped marginally by -0.3 points.
- Current situation, however, continue to improve, while the expectations index has reset by two points at a high level. So far, this does not pose any significant danger, but the recession is not yet over. The situation in Germany looks somewhat better than in the Euro zone as a whole.
- Positive developments can be reported above all from Asia ex Japan. The economic indices there continue to show dynamic growth. The clouds are also clearing for the US, which should help the Trump camp in the run-up to the US presidential election.

Statistics

Poll running: **1st -Oct to 3rd -Oct 2020**
Survey participants: **1,085 investors**
(**261** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
Eurozone	Recovery	USA	Recovery
Germany	Recovery	Japan	Recovery
Switzerland	Recovery	Asia ex-Japan	Recovery
Austria	Recovery	Latin America	Stabilization
Eastern Europe	Recovery	Global Aggregate	Recovery

* The regimes – ranging from recession to boom – are derived from the sentix Economic Indices according to the principle of the “economy clock” (see annotation on penultimate page). They reflect investors’ perceptions of different economies. These perceptions are the basis for investors’ behaviour, i.e. their asset allocation, and are thus relevant for financial markets. They are historically close to actual economic activities but need not necessarily be identical.

Results for the Euro area economy: October 2020

Euro Area	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20
Overall index	-41.8	-24.8	-18.2	-13.4	-8.0	-8.3
Headline Index						
- Current situation	-73.0	-61.5	-49.5	-41.3	-33.0	-32.0
- Expectations	-3.0	21.8	19.5	19.3	20.8	18.8

Highest since
03.2020
Lowest since
05.2020



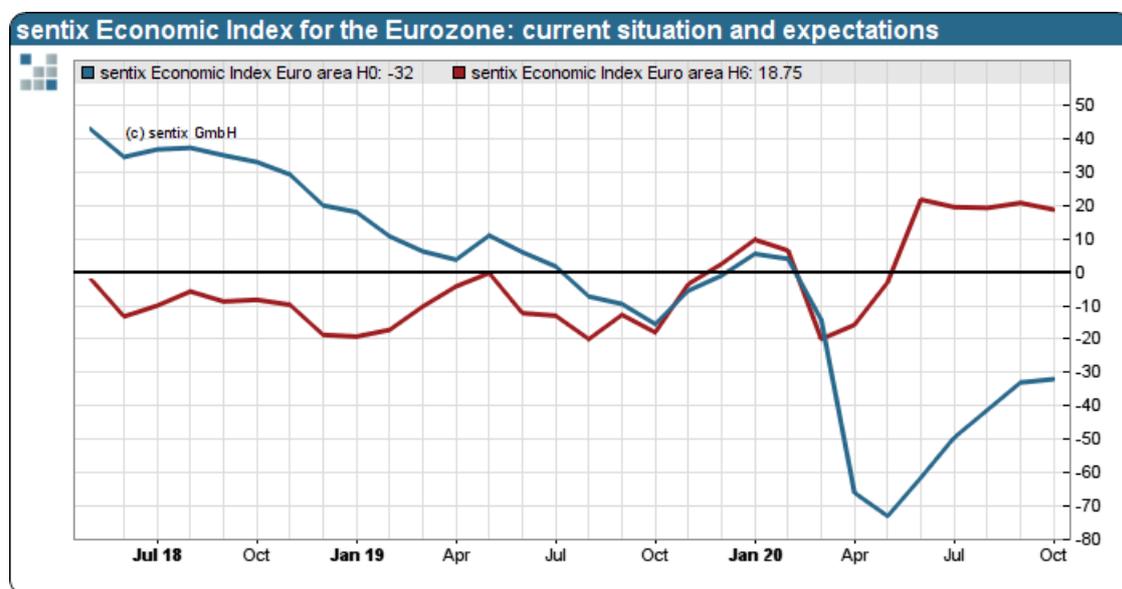
Commentary on the survey results for October 2020

Asia continues to pick up, Euroland stagnating

The economic recovery in Euroland takes a breather in October. After five successive improvements, the sentix overall economic index for the euro zone fell marginally by -0.3 points to -8.3 points. However, the current situation continues to improve, reaching its highest level since March 2020. The data does not reveal any significant risk element in the short term, as the expectations index remains at a higher level despite a decline of 2 points. The outlook for Germany looks somewhat better than for the euro area as a whole. There are positive developments to report, especially from Asia ex Japan and the US.

Euro area: Has the recovery braked? No!

In October, the Euro zone economy is unable to continue its rally of recent months. After five consecutive increases, the overall index is down by -0.3 points. At first glance, the result appears disappointing and the series seems to have come to an end. Nonetheless, the ongoing recovery of the current situation should provide encouragement. After all, the high expectations of the past few months have created fantasy for a coming improvement, which should not be disappointed. It is therefore all the more important that the current situation component continues its initiated recovery path and that the announced signals of relaxation also reach the real economy. Equally constructive is the picture of the expectations, which have been able to hold their ground at a higher level and thus do not call into question the economic recovery that has been initiated for the coming months. Rather, the sideways trend in expectations, which has been ongoing for months, should be seen as confirmation and a clear vote of confidence by investors that the prospects remain positive, based on a recovery of the current situation.



sentix Economic Index for the Eurozone: **current situation** and **expectations**

This means that the parallels between the current recovery movement and the post-crisis year 2009 will be preserved. Even then, we noticed a continuous improvement, which surprised investors and had a positive effect on the stock markets. The fundamental facts were then delivered in 2010 as "proof". Many economists still have doubts about a sustainable recovery of the economy. Fears of corona and renewed negative consequences for the real economy are too strong. However, the "first mover" among the leading indicators underlines that the chances of a positive economic surprise are quite real.



Germany: Sixth increase in a row

The sentix economic indices for Germany are developing more positively than those for Euroland. The overall index has risen by 1.5 points, not only marking the sixth consecutive increase, but also above the zero line for the first time since February 2020. The current situation values are freeing themselves much more dynamically than in the entire Eurozone, the sub-index increases by 3.5 points, flanked by continuing stable expectation values. The significantly lower corona case numbers in Germany are also transferred to the relative economic dynamics in the euro zone. Lower risks of a lock-down provide confidence. Overall, the October data also point in the right direction.

Germany	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-35.3	-17.2	-10.5	-4.5	-0.1	1.4	Highest since 02.2020	6. increase in a row
Headline Index								
- Current situation	-66.0	-53.0	-40.8	-30.8	-22.8	-19.3	Highest since 03.2020	5. increase in a row
- Expectations	2.5	27.3	25.5	25.8	25.5	24.5	Lowest since 05.2020	

USA: Trump administration gets arguments

The recovery of the economic indices for the US is much more dynamic. Current assessment is improving by +6.8 points and the expectations index confirms its already attractive level. In about four weeks, American people will elect the next US president. Traditionally, economic developments have a considerable influence on the outcome of a presidential election. Donald Trump may therefore interpret the upward trend as a tailwind for his re-election. Whether the momentum and scale will be sufficient remains questionable.

United States	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-36.8	-22.3	-17.1	-15.6	-4.8	-1.1	Highest since 03.2020	6. increase in a row
Headline Index								
- Current situation	-66.8	-57.3	-43.0	-40.8	-27.3	-20.5	Highest since 03.2020	5. increase in a row
- Expectations	0.0	21.3	13.0	13.5	20.5	20.5		

Asia: Sustained upward momentum

Asia ex Japan remains the leader in the global economic recovery. At +10.3 points, the overall index is at its highest level since January 2020. In addition, the current situation values are heading for the magic zero line, whereby the expectation values remain strictly positive and make it very likely that they will be exceeded in the coming months. Investors are reflecting the increasingly better economic picture in China. All in all, this should also have a positive feedback effect on the global economy. The sentix Global Aggregate Index has already acknowledged this with the sixth consecutive increase to an index level of -0.5 points.

Asia ex Japan	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-22.6	-8.9	-2.5	0.6	6.6	10.3	Highest since 01.2020	5. increase in a row
Headline Index								
- Current situation	-50.0	-39.0	-26.8	-20.8	-12.5	-5.0	Highest since 02.2020	5. increase in a row
- Expectations	9.8	26.8	25.3	24.5	27.8	26.8		



Further result tables

Japan	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-31.7	-17.0	-11.4	-8.6	-2.3	-2.6		
Headline Index								
- Current situation	-59.5	-49.0	-37.0	-31.5	-23.0	-21.0	Highest since 03.2020	5. increase in a row
- Expectations	1.5	21.8	18.3	17.5	20.8	17.8		
Eastern Europe	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-37.2	-22.6	-18.8	-17.8	-12.7	-12.8		
Headline Index								
- Current situation	-65.0	-54.8	-46.0	-42.8	-35.8	-33.5	Highest since 03.2020	5. increase in a row
- Expectations	-3.8	16.8	13.3	11.0	13.5	10.5	Lowest since 05.2020	
Latin America	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-47.3	-38.5	-38.3	-35.6	-28.9	-26.9	Highest since 03.2020	5. increase in a row
Headline Index								
- Current situation	-74.8	-71.3	-67.3	-63.5	-55.8	-51.5	Highest since 03.2020	5. increase in a row
- Expectations	-13.8	2.5	-3.0	-2.0	3.0	1.8		
Global	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-32.0	-17.9	-12.5	-9.7	-2.9	-0.5	Highest since 02.2020	6. increase in a row
Headline Index								
- Current situation	-60.5	-50.4	-38.9	-33.8	-24.6	-19.3	Highest since 03.2020	5. increase in a row
- Expectations	2.4	21.7	18.2	17.8	21.6	20.3		
Switzerland	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-35.1	-14.4	-1.6	-1.5	10.0	13.3	Highest since 02.2020	5. increase in a row
Headline Index								
- Current situation	-56.8	-43.3	-14.8	-19.0	-1.8	2.5	Highest since 02.2020	
- Expectations	-10.3	19.8	12.5	17.8	22.5	24.8	Highest since 01.2011	3. Increase in a row
Austria	May. 20	Jun. 20	Jul. 20	Aug. 20	Sep. 20	Oct. 20		
Overall index	-24.9	-12.8	-3.9	-10.1	3.4	-9.4		
Headline Index								
- Current situation	-55.3	-46.0	-34.0	-39.0	-13.3	-31.8		
- Expectations	11.8	27.5	31.8	24.0	21.5	16.0	Lowest since 05.2020	3. decline in a row



Data availability

Bloomberg L.P.

FACTSET

REFINITIV™



Macrobond



HAYER ANALYTICS®

sentix 
expertise in behavioral finance

About sentix

sentix is the pioneer and leading provider of sentiment analyses (behavioural finance) in Europe. Since 2001 sentix surveys on a weekly basis around 5.000 investors from over 20 countries (comprising over 1.000 institutional and almost 4.000 individual investors) about their expectations for financial markets as well as for economic developments and their portfolio actions. The sentix survey results are representative of a broadly diversified group of investors.

sentix surveys offer the rare combination of a vast number of participants, high quality and an outstanding speed with which information is gathered and passed on. All sentix indices are regularly accessible for sentix data clients just about one day after the close of each poll – via the sentix website or Bloomberg. sentix clients thus can use sentix data almost in real time to further improve performance.

sentix GmbH was founded in 2001 and today represents the basis for all the services the sentix group offers to its clients in the field of Behavioural Finance.

Background, methodology and more

Current reports and documentation: <https://www.sentix.de/index.php/en/sentix-Economic-News/>

Charts and tables: <https://www.sentix.de/index.php/en/sentix-Economic-Factsheets/economy-at-a-glance.html>



Disclaimer

Important information concerning liability, compliance, protection of investors and copyright

This information is meant only for distribution in countries in which law permits this.

This analysis is for information purposes only and (i) does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any financial, money market or investment instrument or any security, (ii) is neither intended as such an offer for sale or subscription of or solicitation of an offer to buy or subscribe for any financial, money market or investment instrument or any security nor (iii) as an advertisement thereof. The investment possibilities discussed in this report may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. The investments discussed may fluctuate in price or value. Investors may get back less than they invested.

Changes in rates of exchange may hurt the value of investments. Furthermore, past performance is not necessarily indicative of future results. In particular, the risks associated with an investment in the financial, money market or investment instrument or security under discussion are not explained in their entirety.

We assume no liability for the information contained in this analysis. The analysis is no substitute for personal investment consultation. Even by the depicted opportunities and risks, investors must individually assess – by their personal investment strategies, the financial, legal and fiscal situation - whether an investment in the financial instruments depicted here is sensible for them. As this document is in no way a direct investment recommendation, this document or parts of it should not be used as the basis for any conclusion of the contract or any commitment to obligations of any kind. Investors are asked to contact the investment analysts of their banks for individual investment advice and other individual explanations and advice.

Neither the sentix GmbH nor any of its managing directors, employees or other persons assumes liability for losses or damages caused in connection with the use of this document or its contents.

The sentiment analysis is made available via the internet to those sentix participants of which is assumed that they do not base their investment decisions inappropriately by this analysis.

Statements or conclusions made through data or services do not include warrants or guarantees for the future market- or price changes. The opinions and assessments expressed therein can change without prior notice.

The sentix GmbH explicitly points out that both the sentix GmbH, its legal agents as well as their employees (in the following: the Involved) regularly conduct transactions in equity and other financial instruments which the data and services refer to. They do this both in their names and for their accounts as well as in the name and accounts of third parties. Should the Involved have been involved in an emission of instruments for the finance markets in the past 12 months, this is separately indicated at the corresponding place.

All rights of use for this analysis, its data and services are the property of the sentix GmbH and are copyrighted. The sentix GmbH reserves its right to inflict penalties for the unauthorised usage of data and services, especially unauthorised commercial use. Reproduction or subsequent processing of website elements, analyses, data or services in electronic, written or another form is prohibited without prior consent by the sentix GmbH. Analyses that are only available in the secure customer area may be quoted, neither in full nor in part. An exception to this are analyses, data or services which have been posted by the sentix GmbH via the press mailing list or which have been presented in another form for public propagation.

This analysis may not – either in full or in part, regardless of underlying intent – be forwarded, reproduced or published.

„sentix“ is a registered trademark of sentix Holding GmbH.

DAX, TecDAX, Xetra und Eurex have registered trademarks of the Deutsche Börse AG. Dow Jones EURO STOXX 50 is a registered trademark of the STOXX Limited. Other names of products and companies which may be mentioned on this site could also be protected or be registered trademarks of other companies.

ANALYST DECLARATION

Neither in the past, present or future is the remuneration of the author linked – either directly or indirectly – to his or her recommendations or views expressed in this context.